

**REAL ESTATE TAX AND SPECIAL ASSESSMENT
COLLECTION ASSISTANCE
FOR LAND ACQUIRED THROUGH EMINENT DOMAIN
SECTION 427.2 OF THE CODE OF IOWA**



RIGHT OF WAY OFFICE

(Revision July 1, 2010)

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1. Iowa Code Section 427.2. Taxable property acquired through eminent domain.

When public authorities acquire land for public use or public projects, they are required to assist in the collection of property taxes and special assessments on that land. This makes it easier for taxing authorities to collect real estate taxes payable for the year in which land is acquired. The Iowa Department of Transportation (DOT) and all state agencies, cities, and counties acquiring land through the exercise of the power of eminent domain for public purposes are affected.

When a total property is acquired by a public authority but the land is worth less than the amount of taxes due, taxing authorities are required to accept the amount of just compensation paid for the acquisition of the property as full payment. When only part of a property is acquired and the amount of taxes due exceeds the amount paid as just compensation for the acquisition of the property, the taxing authority must collect taxes from the remaining property.

Land owners are required to pay real estate taxes on a property acquired by a public authority that become due and payable for the year the land is acquired for the period that the owner retains possession. The county treasurer is required to cancel the remainder of the taxes for that year. When part but not all of a property is acquired for public purposes, taxing authorities may collect taxes and special assessments the property owner is obligated to pay from the remaining property.

When an entire property is acquired, the property owner is obligated to pay in full all special assessments which have been levied and spread against the property. Levied and spread special assessments are those that have been certified to the county treasurer for collection prior to the acquiring authority's possession date.

Real estate occupied by a public road, and rights of way for established public levees and rights of way for established, open, public drainage improvements is not taxable. Similarly, for so long as the acquiring public authority is the owner of the land, taxing authorities are instructed not to certify any special assessment for collection. There is provision for the collection of taxes and special assessments when land no longer needed for public purposes is sold. The new owner is obligated to pay property taxes for the year in which the property is purchased. In addition, once the land is sold by the public authority, special assessments may be certified to the county treasurer for collection from the new owner. A special assessment originally levied during public ownership may, upon the sale of the property, be certified to the county treasurer by the assessing authority. It would be prorated on the basis of when the buyer takes possession of the property.

Taxes may also include mobile home taxes.

2. Some land acquisitions for public purposes are not affected.

a. Transactions that are not impacted.

If a public authority acquires only a temporary easement or a temporary right to enter upon land, for example, to install or rehabilitate a street or highway entrance, the work has no impact on the tax parcel's value. The land has essentially the same value both before and after the acquisition of such rights. The acquisition of tenant interests in month-to-month or annual agricultural lease situations similarly have no value or tax impact.

Generally, the acquisition of a small portion of a property does not require any special procedure or assistance in property tax collection. In some cases the cost incurred to compute the amount of tax and special assessment for a small acquisition would equal or exceed the amount of tax sought to be collected. See Examples A & B.

When only a small portion of a property is acquired, both taxes and future installments of a special assessment will be collected from the value of the remaining property, and the remaining property will continue to be security for their payment. Sometimes a property owner is paid for damages or the cost to cure damages to the remaining property caused by a project. One example is the cost to repair a fence or a driveway. These payments are made to preserve or restore the value of the remaining property and are not intended as compensation for a transfer of land.

b. Transactions that are impacted.

The law does effect the collection of property taxes and special assessments when a total property is acquired. It also has an impact when the acquisition of part of a property for a public road or other public purpose causes a substantial reduction in the value of the remaining property. In these cases, it may be necessary for taxes and special assessments to be collected, if they are to be collected at all, from the proceeds of the acquisition agreement at the time of closing. See Examples C & D.

3. Tax collection assistance when land is acquired through negotiated agreement.

a. Right of way or land acquisition agreement language.

DOT right of way acquisition agreements for acquisition of property, either in total or in part, for public road purposes will include the seller's tax payment responsibilities. Sellers agree to pay all liens and assessments against the property including all taxes and special assessments payable to the date of the surrender of possession.

- b. Acquisition agreement copies may be furnished to the treasurer.

A copy of the right of way acquisition agreement will be furnished to the treasurer by DOT when use of the proceeds may be required for payment of real property taxes and special assessments. A copy is furnished when an entire property is acquired. A copy is also furnished when the amount of all unpaid liens, taxes, and special assessments equal or approximate the appraised value of the remaining property if only part of a property is acquired.

A copy of the agreement is not necessarily provided if the value of a remaining property is far in excess of the amount of all property taxes and special assessments due and payable at the time of acquisition of part of a property. In these cases unpaid property taxes and special assessments will be collected from the landowner's remaining property.

- c. Treasurer as payee on warrant in payment for property and notice of payment.

Unless a property owner furnishes proof of payment, the county treasurer is named as a payee on warrants to pay for public land acquisitions when a copy of the agreement has been furnished to the treasurer. The treasurer is also notified when payment is actually sent to the owner. See Page 12. In these cases the treasurer has an opportunity to collect the taxes and special assessments in consideration for the treasurer's endorsement of the warrant.

- d. Notice of surrender of possession.

The treasurer is furnished notice of the surrender of possession of properties acquired. This notice will generally be either through receipt of a copy of the closing letter with survey plat or graphic exhibit attached or by postcard. A sample closing letter and a sample postcard are provided. See Pages 13 and 14.

When the DOT acquires land known to be in excess of that needed for a project, the notice of surrender of possession indicates what portion is estimated to be excess land. See Example D(II).

4. Tax collection assistance when land is acquired through an eminent domain proceeding.

Real estate taxes and special assessments may be collected by taxing authorities from the proceeds of compensation commission awards.

- a. Notice of Condemnation.

Taxing authorities are notified of a DOT condemnation action through the service of a Notice of Condemnation on the county auditor. If the property is

located within a city, the Notice of Condemnation is also served on the city clerk.

b. Treasurer as payee on compensation commission award warrant.

Compensation commission award warrants include the county treasurer as a payee unless the property owner provides proof that taxes and special assessments are paid.

c. Notice of deposit of compensation commission award.

So that taxing authorities can compute taxes and special assessments due, they are informed when the DOT has the right of possession. Taxes and special assessments are due the taxing authority until the acquiring authority has the right to obtain physical possession of property acquired by condemnation. Generally, the acquiring authority has the right to obtain possession when the award is deposited with the sheriff in accord with Iowa Code Section 6B.25. Iowa Code Section 6B.26 applies if an acquired property includes an owner-occupied residence, outbuildings in proximity to the residence, an orchard or garden. In those circumstances the acquiring authority has the right to obtain possession when the damages have been finally determined and paid. The DOT has the right of possession when the damages have finally been determined and paid or after 180 days, whichever is earlier. If a compensation commission award has been deposited with the sheriff and no appeal is taken to the district court, damages have been finally determined and paid.

d. Notice of appeal from award of compensation commission.

The Special Assistant Attorney General handles appeals from compensation commission awards for the DOT acquisitions. The treasurer may not be a payee on warrants in settlement of cases in appeal unless the taxing authority files an appearance and claim for their payment. Inquiries concerning parcels for which an appeal has been filed should be directed to the Special Assistant Attorney General, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010.

e. Sample application and order.

A sample Application for the Payment of Taxes and Special Assessment and a sample Order of the District Court are attached. See Pages 15-18.

5. Tax collection assistance when land is sold.

In some cases an acquiring authority purchases a total property or a property larger than is actually needed to accomplish the public works project. This generally

occurs because of significant damages caused by the project to the remainder of the property.

Iowa Code Section 6B.54(8) requires acquiring agencies to offer to acquire uneconomic remnants or remainders of parcels. The DOT is authorized in Iowa Code Section 306.22 to sell land no longer needed for highways. It also requires that the property sold be listed on the tax rolls and taxed to the purchaser.

Iowa Code Section 427.2 requires county treasurers to cancel all taxes and special assessments certified against a property acquired by the acquiring authority as of the date of possession, and for the period of public ownership. If the property is sold, the new buyer will be responsible for any special assessment levied after the acquiring authority sells the property, and for those levied during public ownership and certified to the county treasurer for collection on a prorated basis. Neither taxes nor special assessments are paid by the acquiring authority during its period of ownership. Once a property is sold, the new buyer will succeed to tax payment and special assessment responsibilities prorated from the date of the purchase.

Land acquired by the DOT in excess of highway needs is often sold for cash or on contract and returned to the tax rolls within two years from the date it is acquired. The buyer must pay taxes in the same manner as if it were a sale between two private individuals. Taxing authorities are authorized to appraise, assess, and collect taxes from the property sold, for the year in which the property was sold. It is not necessary for taxing authorities to wait 18 months to go through the assessment process before the first taxes are collected on such property. Also, unpaid installment payments for special assessments must be paid. See Example E (I).

If land is sold by the DOT with payment on an installment contract basis, it is possible for the contract purchaser to default. In the event of a default, the contract will be forfeited and the DOT will reacquire ownership of the property. The DOT may then pay any unpaid taxes prorated to when the DOT reacquires the property, and may pay unpaid special assessments. Again, until the property is sold to a private party, the taxes would be canceled. See Example E (II).

The DOT will notify taxing authorities that land in excess of highway needs has been sold. Notice will be sent whether the land is sold for cash or on an installment contract basis. The notice may be by copy of a letter transmitting the contract or a State Patent. Taxing authorities are also notified when land installment contracts are forfeited. Inquiries concerning land in excess of highway needs should be directed to Property Management, Office of Right of Way, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010.

6. DOT payment of special assessments.

Publicly owned right of way is not taxable. State-owned property other than right of way, is subject to special assessments for public improvements which benefit that property. The property referred to generally consists of maintenance facilities, garages,

scale sites, materials storage areas, and property that is not right of way. See Iowa Code Section 307.45.

7. Abatement of Taxes.

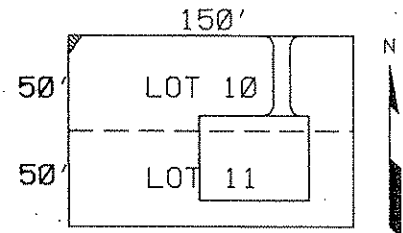
Iowa Code Section 445.63 sets forth the procedure for the disposition of mobile home taxes, regular property taxes and special assessments which were due and payable prior to property being acquired by the state or a political subdivision for public purposes or projects that remain unpaid after the acquisition.

8. Examples. The following facts will be used for all examples:

Mr. A owns Lots 10 & 11, Block 1, Any town, Iowa. It is an improved property on which Mr. A claims homestead. It is taxed as one parcel. The assessed value of the land is \$17,500 and the assessed value of the residence is \$55,000. There is a mortgage of \$65,000. Special assessment for paving is spread. Mr. A has paid the 2009 installment of specials leaving 6 installments unpaid in the total amount of \$3,510. The 2008/2009 real estate taxes payable in 2009/2010 are \$1800 and Mr. A has paid the first installment. The DOT takes possession on October 30, 2009.

Example A: (See Page 4)

The DOT acquires 200 sq. ft. in the NW Corner of Lot 10 for road purposes. In this example the acquisition is a very small portion of the total property, and the computation costs might exceed the amount of property taxes to be collected (200 sq. ft./15,000 sq. ft. = 1.333%). Mr. A would pay the total tax installments due in March 2010, Sept. 2010 and March 2011. Future statements would be for the reduced parcel.

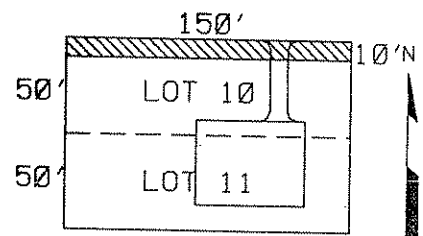


EX. A

For the special assessment, the total balance of \$3,510 is unchanged and Mr. A will pay \$585 in each of the next six years.

Example B: (See Page 4)

The DOT acquires the North 10 ft. of Lot 10 (1500 sq. ft.), or 10% of the total parcel (1500/15000) for road purposes. Again Mr. A would pay the total tax installment due in March 2010. In Sept. 2010 Mr. A would pay 100% of 4/6ths plus 90% of 2/6ths of the installment then due (\$600 + \$270 = \$870). In



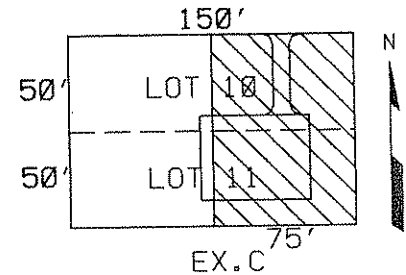
EX. B

March 2011 he would pay 90% of the installment then due or \$810. The Treasurer would then cancel the balance of \$90. Future statements will be for the reduced parcel.

For the special assessments, no adjustment would be made and Mr. A would continue to pay the annual installments as they become due.

Example C: (See Page 4)

The DOT acquires the east half of the total property, including the house, for road purposes for \$75,000. The remainder is 7500 sq. ft. with a value of \$7,500. Because the value of the remainder is less than the total taxes, specials and mortgage, the Treasurer would be named as payee on the DOT's warrant. When Mr. A presents the warrant to the Treasurer for endorsement, the following taxes and specials should be collected:



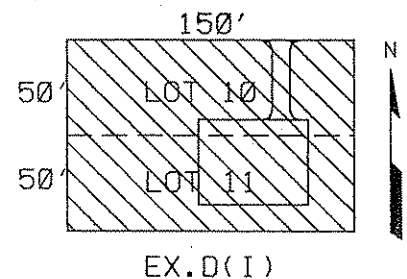
- a. all of the tax installment due in March 2010.
- b. in Sept. 2010, Mr. A would pay 100% of 4/6ths plus 50% of 2/6ths (\$600 + \$150 = \$750). For the March 2011 installment he would pay 50% or \$450. The Treasurer would cancel the balance of \$450. Future statements will be for the reduced parcel.
- c. all installments of specials spread and payable.

No tax statement should be issued for the parcel acquired by the DOT.

Likewise, future special assessments would be levied and spread against the remaining property owned by Mr. A. Any future specials levied and spread against the property acquired by the DOT would be canceled.

Example D: (See Pages 4 and 5)

I. The DOT acquires the entire parcel for road purposes. The Treasurer would be named as payee on the DOT's warrant. When Mr. A presents the warrant to the Treasurer, the following taxes and specials should be collected:

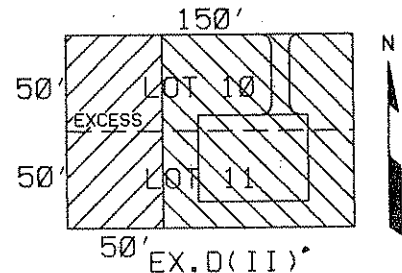


- a. all of the tax installment due in March 2010.

- b. 4/6ths of the tax computed to be payable in Sept. 2010 based on the levy currently in effect.
- c. all installments of specials spread and payable.

The Treasurer would then cancel the remaining taxes payable in 2010/2011. Any future taxes would be abated.

II. The DOT acquires the entire parcel; however, the west 50 ft. of the total property is excess to be resold. The Treasurer would be notified that 33 $\frac{1}{3}$ % is excess land, and would be named as payee on the DOT's warrant. When Mr. A presents the warrant to the Treasurer, the following taxes and specials should be collected:



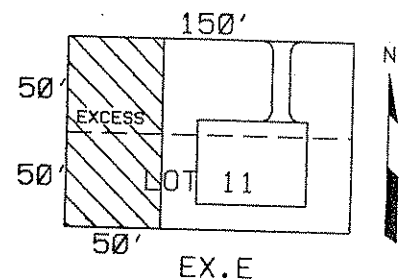
- a. all of the tax installment due in March 2010.
- b. 4/6ths of the tax computed to be payable in Sept. 2010 based on the levy currently in effect.
- c. all installments of specials spread and payable.

When the tax statements payable in 2010/2011 are issued, the Treasurer should deduct the amount previously collected from Mr. A and cancel the remaining balance. Until the excess land has been sold by Patent or installment contract, real estate taxes are to be canceled.

During the period of time the property is held by the DOT, the taxing authorities shall not certify a special assessment to the Treasurer for collection and the Treasurer shall cancel any special assessments certified for collection while the land is in public ownership.

Example E: (See Page 7)

The excess land acquired by the DOT in Example D (II) is sold to ABC Corp. with possession on 1/15/2011. A special assessment had been levied against said parcel on 4/1/2010 (after DOT's acquisition) in the total amount of \$2,600, but not certified to the Treasurer. The prorated amount of 2009/2010 taxes payable in 2010/2011 not paid by Mr. A in Example D (II) should have been canceled by the Treasurer.



- I. The Treasurer receives notice of the sale to ABC Corp. from the DOT in January 2011. At that time there should be no unpaid taxes due; there would be nine

installments due on the special assessment. When taxes payable in 2011/2012 are levied and spread on or about July 1, 2011, the Treasurer should cancel 7/12ths and send a revised statement to ABC Corp. for the remaining 5/12ths. The assessing authority may certify the special assessment, prorated on the basis of when the buyer takes possession of the property. In that event, 11/12ths of the special assessment would be certified and the Treasurer would send a statement to ABC Corp. for the installment due July 1, 2010, and payable Sept. 2010.

II. ABC Corp. purchased the excess land parcel on contract. In 2013 it was unable to pay its debts. On 7/18/2013 the contract was forfeited and the DOT repossessed the property. The March 2013 installment of taxes is unpaid and delinquent. Upon reacquisition of the property, the DOT should pay the delinquent March 2013 taxes, all 2012/2013 taxes due in 2013/2014 and 1/12th of the 2013/2014 taxes due in 2014/2015. The remainder of the taxes should be canceled. The DOT should also pay in full the balance of the special assessment.

800 Lincoln Way, Ames, Iowa 50010-6993 PHONE 515-239-_____
 TOLL FREE 866-282-5809
 FAX 515-239-1247
 _____@dot.iowa.gov

When communicating, refer to:

County
 Project:
 Parcel No.

 Dear Mr. _____:

I have received the signed documents required for this transaction. Enclosed is our conveyance payment in the total amount of \$____.00 payable to _____. Endorsement by all payees is required.

Also enclosed is our Closing Statement in duplicate. Please review this statement, sign and date the original and return it to me in the envelope provided. Only one seller's signature is required. The copy is for your records.

You are responsible for payment of real estate taxes on the property acquired to the State's date of possession. The county taxing authority shall prorate the real estate taxes based on the possession date of _____, 20____. To avoid late penalties, payments should be made when they are due even though the County may not send a tax statement.

Thank you for your cooperation and patience in this matter.

Sincerely,

_____, Agent
 Title and Closing Unit
 Office of Right of Way

 Enc.

c: ____ County Treasurer (w/copy of survey or graphic plat)

County & Project No. _____

Parcel No. _____

Date of Possession _____

Seller _____

☐ Possession Warrant delivered in person on this date.☐ Possession Warrant to be mailed directly to payee.

SIGNED _____

SIGNED _____

(File Copy)

Date _____

County & Project No. _____

Parcel No. _____

Date of Possession _____

Seller _____

☐ Possession Warrant delivered in person on this date.☐ Possession Warrant to be mailed directly to payee.

You should collect the taxes/special assessments due from Seller when the warrant is presented for your endorsement.

SIGNED _____

Iowa DOT Representative

(Treasurer's Copy)

County & Project No. _____

Parcel No. _____

☐ Possession Warrant delivered in person on this date.☐ Possession Warrant to be mailed directly to payee.**Warrant must be endorsed by all payees before it is cashed.**

You are responsible for payment of real estate taxes prorated to _____

Date of Possession

The Treasurer will collect the taxes according to State law when the warrant is presented for endorsement.

Signed _____ Date _____

Iowa DOT Representative

(Seller's Copy)



Iowa Department of Transportation

_____, Treasurer

IN THE IOWA DISTRICT COURT FOR _____ COUNTY

JOE DOE,

Plaintiff,

v.

IOWA DEPARTMENT OF TRANSPORTATION
and _____ COUNTY, IOWA,

Defendants.

* NO. _____
 *
 * APPLICATION & CLAIM OF
 * COUNTY TREASURER FOR
 * PAYMENT OF PROPERTY TAX
 * & SPECIAL ASSESSMENTS
 * FROM THE AWARD OF
 * COMPENSATION TO BE
 * ADJUDICATED IN THIS CAUSE.
 *

The Claimant, Treasurer of _____ County, Iowa, states as follows:

1. That on the _____ day of _____, 20____, the _____
 (Iowa DOT, City or County)
 acquired certain rights in land for road purposes through condemnation proceedings from
 the above captioned plaintiff who is the owners or interest holder thereof.

2. The award of the compensation commission was in the sum of _____
 Dollars (\$_____) for which sum a warrant has been deposited with the Sheriff of
 _____ County, Iowa, on the _____ day of _____, 20____,
 made payable to _____

Pursuant to Section 6B.26, Code of Iowa, the _____ has the right to
 (Iowa DOT, City of County)
 obtain possession of the property condemned (or will have the right to obtain possession
 of the property condemned on the _____ day of _____, 20____, or on the
 day the owner surrenders possession of the property to the _____,
 (Iowa DOT, City or County)
 whichever day is earlier).

3. Pursuant to Section 427.2, Code of Iowa, the owner of the property acquired
 for road purposes shall pay all property taxes and property special assessments for the

property acquired which are due and payable and also those which will become due and payable for the fiscal year in which the property is acquired until the _____
 (Iowa DOT, City or County)
 either obtains possession of the property or the right to obtain possession of the property as authorized by Section 6B.26, Code of Iowa, and such property taxes and special assessments may be paid from the proceeds of the condemnation award as finally adjudicated by this Court.

4. Property taxes and special assessments required to be paid are:

WHEREFORE, the Claimant respectfully requests this Court to enter an Order instructing a warrant be prepared and delivered payable to the Treasurer of _____
 County, Iowa, in the amount of \$ _____ as full and final payment of all property taxes and special assessments due and payable on the _____ day of _____, 20____, the day the warrant in payment of the award of the compensation commission was deposited with the Sheriff (and in the amount of \$ _____ for each month thereafter until the owner of the land acquired surrenders possession of the property to the _____ or until the _____ has
 (Iowa DOT, City or County) (Iowa DOT, City or County)
 the right to obtain possession of the property as authorized by Section 6B.26 of the Code of Iowa, whichever is earlier).

 (Type/Print Name)
 Treasurer _____ County, Iowa.

 (Type/Print Name)
 County Attorney, _____ County, Iowa.

IN THE IOWA DISTRICT COURT FOR _____ COUNTY

JOE DOE,

Plaintiff,

v.

IOWA DEPARTMENT OF TRANSPORTATION
and _____ COUNTY, IOWA,

Defendants.

* NO. _____

*

*

*

* ORDER FOR PAYMENT OF
* PROPERTY TAX & SPECIAL
* ASSESSMENTS FROM THE
* AWARD OF COMPENSATION
* IN THIS CAUSE.
*

*

NOW on this _____ day of _____, 20____, the Application and Claim of the Treasurer of _____ County for the payment of property tax and special assessments from the award of compensation to be (or as) finally adjudicated in this cause comes before this Court wherein the Claimant requests the disbursement of a portion of certain funds now held by the _____ of _____ County in the above (Sheriff, Clerk of Court, Treasurer) entitled action.

After reviewing this Application and the Court file and hearing statements of counsel, this Court finds that the award of the compensation commission was in the sum of \$_____ for which a warrant is presently on deposit with the _____ (Sheriff, Clerk of Court, Treasurer) (or has been deposited with the Treasurer as condemnation funds as required by Section 331.656, Code of Iowa). Plaintiff has made application for an order for disbursement of a portion of that award to the property owners without prejudice to or effect upon the right of any of the parties herein as authorized by Section 6B.25, Code of Iowa. This cause has been duly tried (or The terms and conditions for the settlement of this cause have been agreed to by the parties and approved by this Court) and the final award of just compensation has been determined to be \$_____.

The Treasurer of _____ County has made application and claim for the payment of property taxes from the award of compensation in this cause as authorized by Section 427.2, Code of Iowa. This Court finds that the Plaintiff is obligated to pay \$ _____ in property taxes and special assessments for the property acquired and that the same should be and is hereby ordered to be paid to the Treasurer of _____ County from the award of compensation in this cause.

The Court further finds that the _____ of _____ County
(Sheriff or Clerk of Court)
should be and is hereby authorized to return the warrant in the amount of \$ _____ to the _____; that the _____ should be and
(Iowa DOT, City or County) (Iowa DOT, City or County)
Is hereby authorized to issue two warrants in lieu thereof in the amounts of \$ _____ and \$ _____ payable to the Treasurer of _____ County and the

(condemnees or interest holders)

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the right to possession of the property condemned herein on the part of the _____ shall remain
(Iowa DOT, City or County)
and continue as provided by law.

Judge, _____ Judicial District of Iowa.

Copies to:

IOWA DEPARTMENT OF TRANSPORTATION
800 Lincoln Way
Ames, IA 50010

_____ COUNTY ATTORNEY

Anywhere, IA _____

427.2 TAXABLE PROPERTY ACQUIRED THROUGH EMINENT DOMAIN.

Real estate occupied as a public road, and rights-of-way for established public levees and rights-of-way for established, open, public drainage improvements shall not be taxed.

When land or rights in land are acquired in connection with or for public use or public purposes, the acquiring authority shall assist in the collection of property taxes and special assessments. However, assistance in the collection of the property taxes does not require the payment of property taxes on the property acquired which exceed the amount of just compensation offered as required by section 6B.45 for the acquisition of the property.

The property owner shall pay all property taxes which are due and payable when the property owner surrenders possession of the property acquired and also those which become due and payable for the fiscal year the property is acquired in an amount equal to one-twelfth of the taxes due and payable on the property acquired for the preceding fiscal year multiplied by the number of months in the fiscal year in which the property was acquired which elapsed prior to the month in which the property owner surrenders possession, and including that month if the surrender of possession occurs after the fifteenth day of a month. For purposes of computing the payments, the property owner has surrendered possession of property acquired by eminent domain proceedings when the acquiring authority has the right to obtain possession of the acquired property as authorized by law. When all of the property is acquired for public use or public purposes, the property owner shall pay all special assessments in full which have been certified to the county treasurer for collection before the possession date of the acquiring authority. When part but not all of the property is acquired for public use or public purposes, taxing authorities may collect property taxes and special assessments which the property owner is obligated to pay, in accordance with chapter 446, from that part of the property which is not acquired. The county treasurer shall collect and accept the payment received on property acquired for public use or public purposes as full and final payment of all property tax on the property.

For that portion of the prorated year for which the acquiring authority has possession of the property or part of the property acquired in connection with or for public use or public purposes, all taxes shall be canceled by the county treasurer.

From the date of possession by the acquiring authority for land or rights in land acquired in connection with or for public use or public purposes, and for as long as ownership is retained by the acquiring authority, a special assessment shall not be certified to the county treasurer for collection while under public ownership. However, the assessment may be certified for collection to the county treasurer upon the sale of the acquired property by the acquiring authority to a new owner on a prorated basis. Special assessments certified to a county treasurer for collection while under public ownership shall be canceled by the county treasurer.

Upon sale of the acquired property by the acquiring authority to a new owner, the new owner shall pay all property taxes which become due and payable or would have become due and payable but for the acquisition by the acquiring authority for the fiscal year the property is acquired by the new owner in an amount equal to one-twelfth of the taxes

multiplied by the number of months in the fiscal year in which the new owner acquired the property which occurred after the month in which the new owner acquired the property.

Section History: Early Form

[C73, § 809; C97, § 1344; C24, 27, 31, 35, 39, § 6945; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, § 427.2; 82 Acts, ch 1183, § 1]

Section History: Recent Form

86 Acts, ch 1153, § 1; 87 Acts, ch 40, § 1



306.22 SALE OF UNUSED RIGHT-OF-WAY.

When title to any tract of land has been or may be acquired for the construction or improvement of any highway, and when in the judgment of the agency in control of the highway, the tract will not be used in connection with or for the improvement, maintenance, or use of the highway, the agency in control of the highway may sell the tract for cash.

The department may contract for the sale of any tract of land subject to the following terms and conditions:

1. The discounted present market value of the contract offer, including the cash down payment, shall exceed one hundred ten percent of the highest cash offer submitted for the tract if a cash offer is received. The discount rate shall be the rate of interest stated in the contract.
2. The cash down payment shall be equal to or in excess of five percent of the total purchase price.
3. The term of the contract shall not exceed ten years.
4. The rate of interest stated in the contract shall not be less than the prevailing rate of interest charged on contract land sales by sellers in the county or general area in which the tract of land is located.
5. The department shall advertise for cash bids and contract offers before accepting a contract offer.
6. The appraised value of property sold under a land contract sale shall be at least five thousand dollars.
7. Any tract of land sold on contract shall be listed on the tax rolls by and taxed to the contract purchaser, as provided in chapters 428 and 443; assessed and valued as provided

in chapter 441; taxes levied as provided in chapter 444; collected as provided in chapter 445; and subject to tax sale, redemption, and apportionment of taxes as provided in chapters 446 to 449. The contract purchasers shall discharge and pay all taxes.

If any tract of land is sold, the sale shall be subject to the right of a utility association, company, or corporation to continue in possession of a right-of-way in use at the time of the sale.

Section History: Early Form

[C35, § 4755-fl; C39, § 4755.44; C46, 50, § 313.53; C54, 58, 62, 66, § 306.16; C71, 73, 75, 77, 79, 81, § 306.22]

Section History: Recent Form

86 Acts, ch 1245, § 1987; 92 Acts, ch 1163, § 71

Referred to in § 306.42



307.45 STATE-OWNED LANDS -- ASSESSMENT.

1. Cities and counties may assess the cost of a public improvement against the state when the improvement benefits property owned by the state and under the jurisdiction and control of the department's administrator of highways. The director shall pay from the primary road fund the portion of the cost of the improvement which would be legally assessable against the land if privately owned.

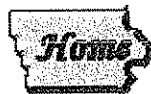
2. Assessments against property under the jurisdiction of the department's administrator of highways shall be made in the same manner as those made against private property, except that the city or county making the assessment shall cause a copy of the public notice of hearing to be mailed to the director by certified mail.

3. Assessments against property owned by the state and not under the jurisdiction and control of the department's administrator of highways shall be made in the same manner as those made against private property and payment shall be made by the executive council from any funds of the state not otherwise appropriated.

Section History: Recent Form

86 Acts, ch 1244, § 40; 91 Acts, ch 268, §511; 2009 Acts, ch 179, §77

Referred to in § 312.2, 312.4, 313.4, 384.56



445.63 ABATEMENT OF TAXES.

When taxes are owing against a parcel owned or claimed by the state or a political subdivision of this state and the taxes were owing before the parcel was acquired by the state or a political subdivision of this state, the county treasurer shall give notice to the appropriate governing body which shall pay the amount of the taxes due. If the governing body fails to immediately pay the taxes due, the board of supervisors shall abate all of the taxes.

Section History: Recent Form

87 Acts, ch 126, §1; 91 Acts, ch 191, §57

